



NNSA Policy Letter: BOP-001

Date: June 24, 2002

Update: September 30, 2004

TITLE: NNSA's Planning, Programming, Budgeting and Evaluation Process (PPBE)

- I. **OBJECTIVE:** "Establish procedures to ensure that the planning, programming, budgeting, and financial activities of the Administration comport with sound financial and fiscal management principles." [Public Law 106-65, SEC. 3252; 50 USC 2452]
- II. **APPLICABILITY:** All Administration program elements and organizations
- III. **POLICY REQUIREMENTS:**
 - A. Background – To achieve the vision of operating an efficient and agile nuclear security enterprise recognized for world-class technical leadership and program management, NNSA is using an **operating philosophy** supported by new business systems and practices throughout the complex. The key concept is that all four stages of the PPBE process are linked into a continuous cycle. Through planning, everyone understands how individual contributions help accomplish overall goals. Through programming and budgeting, program and project managers set priorities, plans, cost and schedules for budget and performance integration; and through evaluation, progress is assessed, feedback is provided for future planning, and achievement is truly rewarded so that people recognize the advantage in performing well.
 - B. The PPBE operating philosophy is mutually supportive with the established missions and functions of the NNSA organization, whereby planning, programming and budgeting are primarily Headquarters functions, and execution and evaluation of the programs are shared responsibilities of HQ, site offices and the Service Center. At Headquarters, NNSA's PPBE process is focused on **horizontal integration** of the principal program/management elements: Defense Programs, Defense Nuclear Nonproliferation, Naval Reactors, Emergency Operations, Infrastructure and Environment, Management and Administration, and Defense Nuclear Security. The **vertical integration** between Headquarters' programs and field Federal and contractor elements is the responsibility of the seven principal program/management elements, noted above.
 - C. This approach recognizes that each of the major NNSA program elements manages its program execution and the interface with the field contractors differently. Both the horizontal and vertical elements are equally important to a

successful PPBE environment, and they must be seamlessly linked in a cascade to assure that NNSA is operating effectively at all levels.

1. In this cascade, the NNSA Strategic Plan provides the framework for top-to-bottom linkages in NNSA planning, programming, budgeting, and evaluation activities.
2. The strategies to achieve our goals are translated into a NNSA Baseline Program documented in multi-year program plans. These plans are the basis for planning, programming proposals and decisions; they are the primary documents used to manage programs and develop multi-year budgets within our enterprise.
3. From these multi-year program plans will flow Annual Operating/Implementation Plans that should include metrics or milestones for annual program execution and evaluation.

D. **Planning** – In order to have clear leadership and direction, planning cascades from Headquarters to all NNSA elements. Planning at *every* level is essential for the organization to understand how their individual efforts contribute to this program, and should be relatively “fiscally unconstrained” to assure that all requirements and approaches are considered.

1. The NNSA Strategic Plan is the first step in setting clear direction. It establishes the Administrator’s long-term vision, priorities, and issues that we face as an organization, and articulates goals, means and strategies for the organization as a whole.
2. Annual Strategic Planning Guidance updates and/or validates the Administrator’s vision and priorities outlined in the NNSA Strategic Plan. The Guidance may also identify “emerging issues” that might challenge the NNSA Baseline Program and may also direct some “excursions” that may be further studied and explored during the Programming process.
3. Internal multi-year program plans are the primary PPBE source document for the NNSA program elements. These plans provide the metrics or milestones in the Annual Operating/Implementation plans and are developed between Headquarters program managers and field elements according to procedures developed and documented by the program organizations.

E. **Programming** – A Headquarters-driven process to facilitate program development, prioritization and corporate integration and decision-making for the program/management elements of the NNSA. This process is “fiscally conscious.” The programming process uses the following documents to develop

proposals to rebalance baseline programs and identify for discussion and decision those changes to implement policy and program changes:

1. Internal multi-year program plans
2. NNSA Program and Fiscal Guidance
3. Future-Years Nuclear Security Program (FYNSP) (also incorporated into Budget request)
4. NNSA Program Decision Memorandum (PDM) (records Administrator's programming decisions for pricing out in the OMB Budget Request)

F. **Budgeting** – That part of the process where integrated planning and programming is brought into the “fiscally constrained” environment. Documents related to this function are:

1. NNSA Call for Budget Information
2. Program Budget Decision (PBD) (DOE-generated)
3. OMB Budget/FYNSP Submission
4. Congressional Budget/FYNSP Submission
5. Annual Operating/Implementation Plans
6. External multi-year program plans (GPRA Unit Program Plans are DOE-required, externally oriented summary documents that flow from the internal multi-year program plans and the Budget/FYNSP)

G. **Budget Execution and Evaluation** – This process assures Budget and Performance Integration, which is one of the five elements of the President's Management Agenda. The key documents and processes are:

1. Work Authorizations
2. Baselines Change Controls
3. Performance Measurement Data
4. Program and Project Reviews
5. Administrator's Annual Performance Report
6. Program Assessment Rating Tool (PART)

H. **Linkages to other NNSA processes** – To ensure complete budget and performance integration, PPBE concepts are included in several related NNSA processes. Examples include:

1. Corporate Contractor Performance Evaluation Process (NAP-4)
2. Employee Performance Reviews: The inclusion of program performance measurement data included in the Budget/FYNSP for Employee Performance Reviews is under development.

IV. **RESPONSIBILITIES**: Conducting all business systems and practices using the PPBE operating philosophy is the responsibility of all NNSA elements. The Associate

Administrator for Management and Administration is responsible for developing, implementing, directing and maintaining the process. Comprehensive instructions for each of the PPBE process elements are included on the NNSA Intranet site. The attached charts depict the linkage of performance and financial information for the Administrator's Planning, Programming, Budgeting and Evaluation process and the notional timelines for the integrated PPBE process.

A handwritten signature in black ink, appearing to read "M. Kane", is positioned above the printed name.

Michael Kane
Associate Administrator for
Management and Administration

Attachments:

PPBE Timelines
NNSA Performance Cascade



PPBE Timelines



Planning >

Existing Multi-Year Program Plans (MYPP) control all Program Management activity all year long

Update internal and external multi-year program plans for Budget/FYNSP

Update internal multi-year program plans for PDM, Congressional action

Programming >

Participate in DA/AA Programming Cycle

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

Budgeting:

Formulation>

Support formulation of OMB budget

Support OMB Budget Review, as requested

Justification>

Support Congressional Budget process, as requested
Q&As, hearing preparation, RTQ, etc

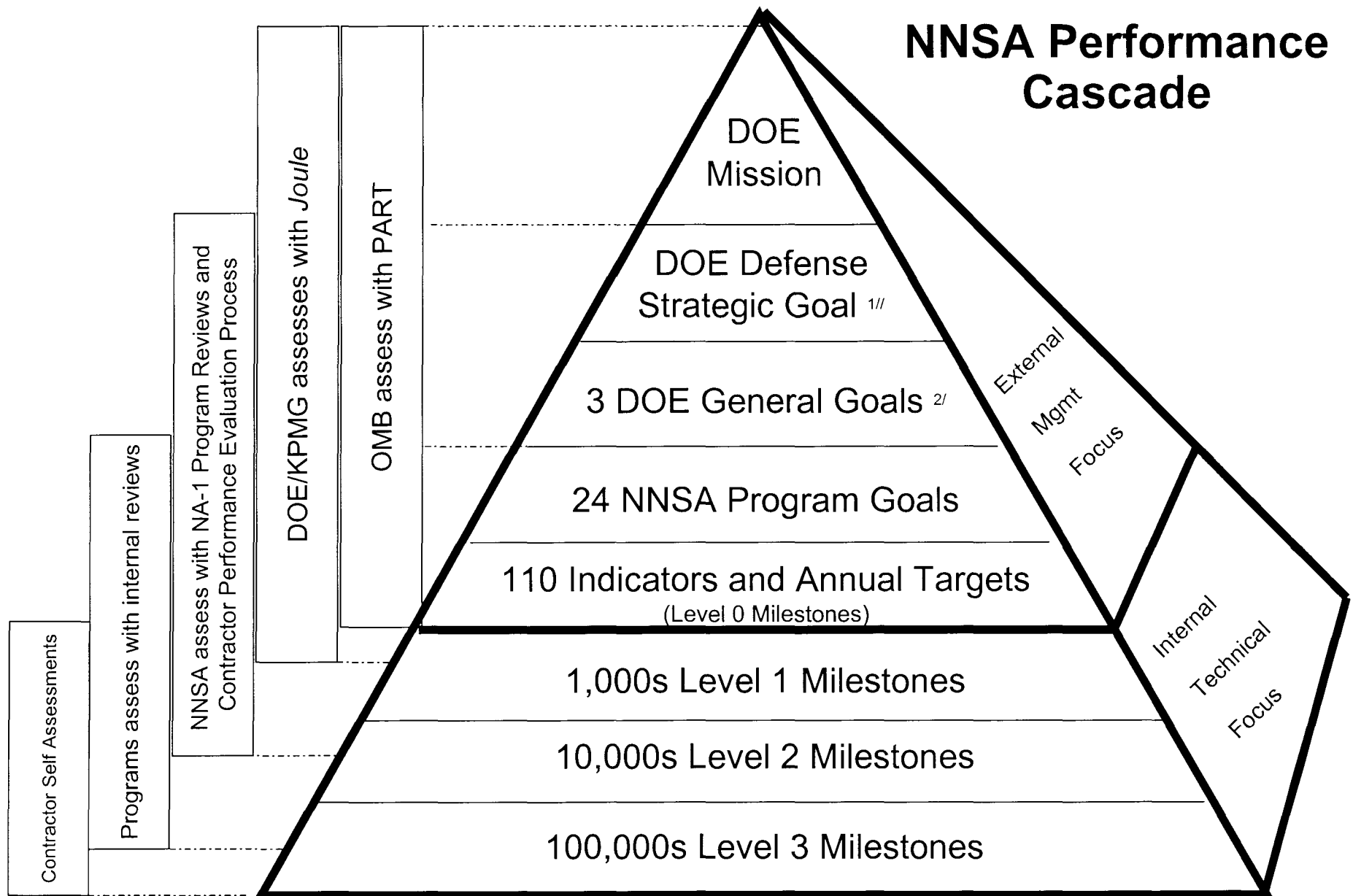
Execution>

Provide programmatic guidance and site allocations for Work Authorizations, AFP changes – monthly cycle

Evaluation >

Conduct program and project reviews; report targets and milestones; update measures; conduct PART assessments

NNSA Performance Cascade



1/ The DOE Mission is supported by four Strategic Goals (Defense, Energy, Science, and Environment). However, NNSA only contributes to the Defense Strategic Goal (which is the NNSA Mission).

2/ Seven DOE General Goals support the four Strategic Goals, however, only three DOE General Goals (Nuclear Weapons Stewardship, Nuclear Nonproliferation, and Naval Reactors) support the Defense Strategic Goal.